

Crestar Bank
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CRESTAR

December 16, 1997

Ms. Marcia Z. Sullivan
Consumer Bankers Association
1000 Wilson Boulevard, Suite 3012
Arlington, VA 22209-3908
BY FAX 703-528-1290
Re: EFT '99/Proposed ETA

Dear Marcia:

In response to your recent request for comments regarding Treasury's proposed Electronic Transaction Account (ETA), I offer the following on behalf of Crestar Bank. I am also copying Treasury to ensure that our opinions are documented by today's prescribed deadline.

It is our position that while it is quite appropriate for Treasury to mandate that all government benefits be paid electronically, it is **not** an appropriate role for Treasury to contract with a select group of banks or non-banks for a nationally franchised banking product (ETA) to handle those electronic payments. Banks should be allowed to respond to the EFT '99 mandate by providing convenient products and delivery channels at good values that meet the needs of consumers and are still profitable for the banks. Banks should then be responsible for promoting their account offerings to the target "unbanked" market to facilitate selection. Treasury could assist by using its resources on consumer education, e.g., providing checklists for consumers on how to shop for the type of bank account that will meet their needs.

At Crestar Bank, we currently have a basic electronic banking product (Self-Service Checking), and we have plans to offer a "check-less" version of this product in 1998. We would be delighted to provide descriptions of these products to Treasury as evidence of the availability of suitable banking products. We would also be pleased to enlist the support of local community groups to help educate consumers about low-cost banking alternatives.

If Treasury decides to proceed with its plans for the ETA, Crestar would like to have the option to participate in the bidding process. If we choose not to participate, we anticipate no impact on our relationship with the federal government.

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Thank you for the opportunity to comment. If you have questions or would like to discuss this further, please feel free to contact me at (804)782-5546.

Sincerely,

A handwritten signature in cursive script that reads "Patricia R. Tudor".

Patricia R. Tudor
Vice President
Strategic Marketing

Copies to: Treasury Department - Cindy Johnson - FAX (202) 874-6965
Craig Kelly
Brenda Skidmore
Marvin Watts
Bruce Wright